

Residential Update and Outlook

November 2025

Market Overview

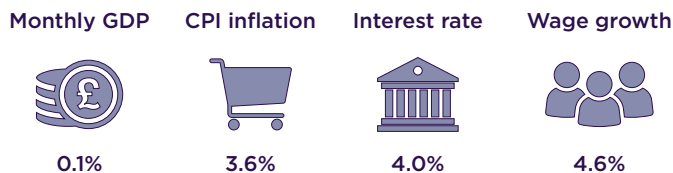
This month, there were some challenging economic figures indicating subdued growth and a softening labour market, despite an easing of inflationary pressures. GDP has struggled, with a minor contraction of -0.1% in September following no growth in August, driven in part by a sharp fall in the production sector. Although inflation eased slightly in October, the labour market is weakening: the unemployment rate has risen to 5.0% in the three months to September, and the number of payrolled employees continues to fall. Consumer confidence remains downbeat, reflecting ongoing concerns about personal finances and the economy, particularly ahead of the upcoming Budget.

The residential sales market shows modest but steady price growth in the 2%-2.5% range, according to the latest indices, while transaction volumes and mortgage approvals data remain robust. But there are many signs of caution as well. The latest RICS report notes that both buyer enquiries and listings are falling, while Rightmove has found that agreed sales of properties in some of the highest price brackets are down, amid ongoing uncertainty related to the Autumn Budget.

Key Points

- Monthly GDP fell by an estimated -0.1% in September, following a downwardly revised no growth in August. Falls in the production sector accounted for the largest downward pressure on the month.
- Inflation eased to its lowest level in four months in October, down to 3.6%. Downward pressure largely came from housing and utilities, with slower price increases for gas and electricity.
- According to GfK's latest index, consumer confidence dipped by two points to -19 in November. This decline reflects growing pessimism among consumers and households in the run-up to the late-November budget announcement.
- Retail sales volumes fell by -1.1% in October, the first fall since May this year. Some sellers noted that customers are delaying spending during the month as they await November discounts.
- Labour market data shows a softening trend, with the unemployment rate rising to 5.0% (the highest since May 2021) and a fall in both total employment and payrolled employees, while the number of job vacancies remained largely unchanged.
- Annual wage growth eased to 4.6% in the latest three-monthly data. Wage growth in the public sector rose at its fastest pace since 2023.
- The Services and Manufacturing Purchasing Managers' Indices (PMI) both increased in the latest month, though manufacturing remained below the contraction threshold of 50. Conversely, the construction sector marked its tenth consecutive month of contraction, reaching its lowest index figure of 44.1 since 2020.
- House price growth continued to hover within the 2%-2.5% range according to both major indices in their latest reports. Halifax reported annual growth of 1.9% while Nationwide found prices have been rising around 2.4% over the last 12 months.
- Autumn Budget concerns are still weighing on the residential sales market, according to the latest RICS data. Their October Residential Market Survey reports buyer enquiries and new listings continue to fall with the new listings measure at its lowest in over two years.
- Residential sales increased slightly in the latest monthly data from HMRC (September). Year to date transactions are still around 14% above the same period last year. Mortgage approvals also rose in September.
- Rental growth in the private rental market eased to 5.0% in the 12 months to October according to the latest ONS figures, down from 5.5% in September. Rightmove also reports slowing rental growth, with their latest quarterly data showing annual growth of 3.1%, down from 3.9% in the previous quarter.

Economic indicators



Sources: Bank of England, ONS (wage growth regular pay, excl bonuses)

The macroeconomy

- September's monthly GDP is estimated to have fallen -0.1% over August, following August's (downwardly revised) no growth. Production output was found to have fallen by -2.0%, largely driven by a fall in the manufacture of motor vehicles amid cyber incidents which paused production at Jaguar Land Rover. Both the services and construction sector output figures showed growth of 0.2%.
- Inflation eased to 3.6% in October, the lowest level in four months, down from 3.8% in each of the last three months. Prices slowed for housing and household services, largely due to the downward effect of gas and electricity prices from a change in the energy price cap in October. Smaller price rises were also found in restaurant and hotels as well as services, clothing and footwear. Upward pressure on the rate this month came from food and non-alcoholic beverages as well as recreation and culture.
- The Bank of England's Monetary Policy Committee (MPC) voted 5-4 to keep Bank Rate at 4.0% at its November meeting. The four members who voted against voted for a 25bps cut, suggesting there is growing support for easing the rate going forward. The next meeting of the MPC is scheduled on 18 December.

Labour and employment

- The UK unemployment rate increased to 5.0% in the three months to September, the highest level since May 2021. The employment rate edged down 0.1% to 75.0% as total employment fell by 22,000 during the quarter. This is the first decline since Q1 2024.
- Estimates for the number of payrolled employees for October indicate a fall of around 32,000 over September and 180,000 over the year. Again, these should be treated as provisional and are likely to be revised when more data are available next month. The biggest fall in employees was from the wholesale and retail sector.
- The estimated number of job vacancies in the UK shows a largely unchanged figure over the quarter, with early estimates indicating a small increase of around 2,000. If this figure is not revised this would mark the first quarter in over three years where vacancies have not declined.

- UK employees' average earnings (excluding bonuses) rose 4.6% year on year, easing from 4.7% the month before and marking the weakest regular pay growth since April 2022. Private sector wages slowed to 4.2%, their lowest since late 2021 while public sector wages increased to 6.6%, the steepest rise in that sector since 2023.

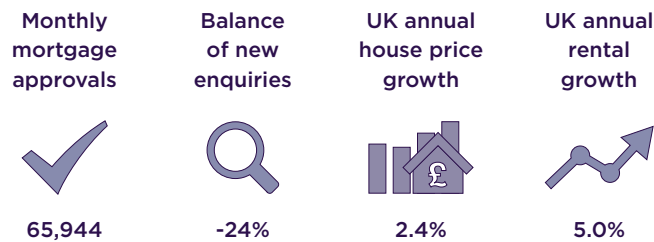
Market indicators

- October's manufacturing PMI (S&P Global) rose to 49.7 from 46.2 in September and marks the highest level since October 2024. Production rose for the first time in 12 months amid restocking and importantly, the restarting of operations at Jaguar Land Rover. Output levels grew while investment goods production fell at a slower pace. New orders and exports however fell again owing to weak demand from abroad, and employment fell for the 12th straight month.
- The UK Services PMI also rose in October, moving to 52.3 from 50.8 in September. Firms noted an increase in domestic demand despite continued business uncertainty. There was notable postponement of spending plans ahead of the Budget and new work from international orders fell for the second month. Employment levels also fell although this was at the slowest rate in a year.
- Finally, the construction sector PMI declined in October, down to 44.1, the tenth month in a row of contraction. This is also the lowest rate since the COVID pandemic, in 2020. Respondents reported poor market conditions and fewer tender opportunities and employment in the sector fell at its fastest pace in over five years. Civil engineering work plummeted but declines were also reported in commercial and residential construction activity.

Consumer demand and sentiment

- October's retail sales volumes figures show a fall of -1.1% over the month, following a +0.7% rise in September (upwardly revised). This is the first monthly fall since May 2025 with some retailers reporting that consumers may be delaying their spending in the lead up to the usual Black Friday sales in November. Supermarket sales dropped for the second consecutive month while clothing stores also saw lower sales volumes.
- GfK's Consumer Confidence Index fell two points to -19 in November. All measures were found to have fallen compared with October's results. The Major Purchase Index fell by three points to -15 while the forward-looking measures of Personal Financial Situation and General Economic Situation both declined two points. The downbeat mood suggests consumers are feeling nervous ahead of the Budget later in November.

Residential market



Sources: Bank of England, RICS, Nationwide, ONS

Residential sales

Mortgages and transactions

- The number of mortgage approvals recorded in September rose slightly over August, increasing by 1.5% to just under 66,000, according to the Bank of England. Year to date approvals are now 4% above the same period last year and 3% more than the long-term average for the time of year.
- Total sales volumes also rose slightly in September, according to HMRC's latest figures. Reaching just under 96,000 transactions this is an increase of 1.1% over August. This brings total transactions so far this year to 912,530, still 14% above the same period last year and 3% above the long-term average.

Supply and Demand

- The latest RICS Residential Market Survey points to a sales market that remains sluggish. This month's new buyer enquiries continued to decline, moving to -24% and now marking the fourth month of decline. On the supply side, the new instructions measure also declined to -20%, the third month of negativity in this metric and the 'most negative' in over two years.
- Rightmove's latest House Price Index data suggests that speculation surrounding the upcoming Budget is fuelling uncertainty and a market slowdown. Agreed sales for properties priced over £2 million are down 13% year-on-year. Sales for properties priced between £500,000 and £2 million are also down by around 8%. These higher price brackets are likely the most sensitive to any potential changes in Stamp Duty or Capital Gains Tax.

UK prices and price growth

- House price growth edged up slightly in October, according to Nationwide's latest figures. With an annual increase of 2.4% this is up slightly from 2.2% in September and brings the average house price to £272,226 according to the lender. This also marks the fifth month where house price growth has hovered at just over the 2% figure.

- October's data from Halifax is not too dissimilar with annual price growth also rising to 1.9%, above September's figure of 1.3%. On a monthly basis the bank notes prices grew by a rather strong 0.6% bringing the average house price to just below £300,000.
- Rightmove's latest House Price Index (released mid-November) reports that asking prices fell by around -1.8% month on month while on an annual basis they are down around -0.5%. They note that this monthly fall is much larger than would normally be seen at this time of year. The 'Budget hiatus' is likely accounting for this higher rate of asking price reductions.
- September's annual house price growth figure eased to 2.6% according to the Official House Price Index from the ONS. This is down from 3.1% in August and reflects a monthly fall of -0.6%. The average UK house price is now £271,531.
- In the October RICS market survey the house price metric showed a net balance of -19%, down from the previous month but broadly unchanged over the last three-monthly average. This suggests there is downward pressure on pricing which appears most strongly across the South East, London, and East Anglia where respondents all returned weaker results than the overall average.

Regional prices and price growth

- Regional house price growth continues to show a north south divide this month. Northern Ireland (7.1% annually) and Scotland (5.3%) top the table followed by Yorkshire and the Humber (4.5%). On the other hand, the locations with slowest growth (or declining prices) were all in the south, with London showing an average decline of around -1.8% and the South East and South West showing less than 1% over the year.
- House price growth across our 19 tracked Carter Jonas locations continues to show a very large spread, with little change in the overall ranking. For the second consecutive month, the Vale of White Horse tops the table, reporting a nearly 10% increase, followed closely by West Oxfordshire at 5.8%. At the bottom of the table, the trend also remains consistent: York (-2.3%), Winchester (-2%), and Oxford (-1.5%) recorded average declines. They were joined this month by two additional areas showing marginal drops: Bath (-0.1%) and Cambridge (-0.3%).



Residential lettings

Supply and Demand

- Tenant demand remained relatively flat in the latest results published by the RICS Residential Market Survey, with the metric moving slightly more negative to -4%. Landlord instructions however continue their firmly negative trend with a net balance of -33% marking the weakest level since the peak of the pandemic in 2020.
- Rightmove's recent Q3 2025 rental tracker report finds that the number of available homes to rent is 9% above the same period last year, although still 23% below the 2019 figure. They also say that the pace of new properties coming to the market is rising at its lowest rate so far this year.

Rents and rental growth

- The Q3 Rental Trends Tracker report from Rightmove notes that rents for new properties (outside of London) are growing by around 3.1% over the last 12 months. This is down from the recorded 3.9% annual growth during Q2. Within London rents are growing by an average of 1.6% year on year.

- UK rental growth increased by an annual average of 5.0% to October (ONS, Price Index of Private Rents). This is down from 5.5% in September and well below the peak of 9.0% just ten months ago. The average UK rent is now £1,360 per calendar month, an increase of £260 in three years.
- There are still very strong regional and local differences in rental growth across the country. The North East continues to show nearly 9% growth although this too continues to ease from 9.7% just five months ago. Locally, Oxford and Bath are also reporting 9% or more annual rises, while nearby West Oxfordshire is showing a small decline of -0.2%.
- *A reminder on rental growth rate differences between the official PIPR and other private sector measures such as Zoopla and Rightmove:- PIPR measures all stock of rents and compares achieved rents in the current month with the same month one year prior. Private sector measures only count asking rents for new let properties. The PIPR measure covers a much greater number of properties and will always lag by around 6 months or more as the new let rental prices take time to filter into the whole rental market stock.*

HM Treasury Forecasts for the UK Economy, November 2025

Sources: HM Treasury Consensus Forecasts (November 2025)

	2025	2026	2027	2028	2029
Official Bank Rate (%)	3.87	3.44	3.35	3.22	3.12
House price inflation (annual, %)	1.8	2.0	2.6	3.1	3.8
CPI inflation rate (annual average, %)	3.6	2.3	2.2	2.2	2.1
Unemployment rate (%)	4.9	4.9	4.9	4.8	4.7
GDP (annual, %)	1.4	1.2	1.4	1.4	1.4
Average earnings growth (annual, %)	4.2	3.2	2.9	3.0	2.9

Select Market Indicators, latest versus previous data

Sources: ONS (unless otherwise indicated) (final six indicators retrieved 24 November)

	Current	Previous	Direction of change
GDP monthly	-0.1%	0.0%	↓
Inflation rate (CPI)	3.6%	3.8%	↓
Bank Rate (base interest rate)	4.0%	4.0%	↔
Employment rate	75.0%	75.1%	↓
Unemployment rate	5.0%	4.8%	↑
Weekly earnings growth, regular pay (excl bonuses)	4.6%	4.7%	↓
S&P Global UK Manufacturing PMI	49.7	46.2	↑
S&P Global UK Services PMI	52.3	50.8	↑
S&P Global UK Construction PMI	44.1	46.2	↓
Retail sales volumes (monthly)	-1.1%	0.7%	↓
GfK Consumer Confidence Index	-19	-17	↓
Bank of England mortgage approvals (monthly)	65,944	64,963	↑
Nationwide house price inflation (annual)	2.4%	2.2%	↑
Halifax house price inflation (annual)	1.9%	1.3%	↑
Official UK House Price inflation (annual)	2.6%	3.1%	↓
Rightmove House Price Index (UK, annual, asking)	-0.5%	-0.1%	↓
Price Index of Private Rents (UK, annual)	5.0%	5.5%	↓
£ Sterling: \$ USD	\$1.31	\$1.33	↓
£ Sterling: € Euro	€1.14	€1.15	↓
Brent Crude Oil (USD)	\$62.30	\$66.03	↓
Gold (USD per ounce)	\$4,066.52	\$4,118.12	↓
FTSE 100	9,585.98	9,578.56	↓
UK 5 Year Gilt Yield	3.950%	3.892%	↑

Official House Price data, HM Land Registry, September 2025

Sources: HM Land Registry

CJ Regional Location	Average Price	Monthly Change (%)	Annual Change (%)
Vale of White Horse	£417,878	1.8%	9.8%
West Oxfordshire	£432,211	0.5%	5.8%
West Berkshire	£404,752	0.9%	5.1%
North Yorkshire	£277,082	1.8%	4.5%
Leeds	£246,348	1.6%	4.4%
South Cambridgeshire	£452,613	2.2%	4.1%
Cambridgeshire	£345,060	1.1%	3.7%
Dorset	£340,411	0.7%	3.7%
Wiltshire	£335,024	1.0%	3.1%
Cornwall	£288,942	0.4%	2.6%
Somerset	£282,232	0.8%	2.4%
Suffolk	£291,147	0.9%	2.2%
South Oxfordshire	£480,580	1.2%	2.2%
Devon	£311,594	-0.1%	0.5%
Bath and North East Somerset	£417,817	2.1%	-0.1%
Cambridge	£497,899	-0.3%	-0.3%
Oxford	£509,269	0.9%	-1.5%
Winchester	£466,869	-0.4%	-2.0%
York	£309,657	-1.1%	-2.3%

UK Region	Average Price	Monthly Change (%)	Annual Change (%)
Northern Ireland	£193,247	0.0%	7.1%
Scotland	£194,273	0.4%	5.3%
Yorkshire and The Humber	£207,877	0.3%	4.5%
East Midlands	£243,459	-0.6%	3.6%
North East	£161,770	-1.2%	3.5%
North West	£215,030	-0.9%	3.4%
Wales	£209,253	-0.8%	2.7%
West Midlands region	£248,928	-0.5%	2.6%
United Kingdom	£271,531	-0.6%	2.6%
East of England	£341,389	-0.6%	2.3%
England	£293,292	-0.8%	2.0%
South West	£307,078	-0.9%	0.9%
South East	£383,812	-1.2%	0.9%
London	£556,454	-1.1%	-1.8%

London	Average Price	Monthly Change (%)	Annual Change (%)
London	£556,454	-1.1%	-1.8%
Prime Central London	£1,074,753	-3.4%	-12.8%
South West London	£753,544	-1.1%	-3.8%

Official House Price data, HM Land Registry, September 2025

Sources: HM Land Registry

London Borough	Average Price	Monthly Change (%)	Annual Change (%)
Barking and Dagenham	£356,630	-0.4%	6.1%
Waltham Forest	£539,382	1.7%	5.9%
Hounslow	£546,049	-0.5%	4.7%
Havering	£446,030	1.1%	4.2%
Southwark	£606,321	1.6%	4.0%
Hillingdon	£481,035	-1.6%	3.8%
Bromley	£523,565	-1.4%	3.4%
Hackney	£635,735	0.9%	3.4%
Lewisham	£500,836	-0.4%	3.2%
Haringey	£646,857	0.5%	2.3%
Merton	£634,061	-0.1%	1.9%
Kingston upon Thames	£597,586	2.2%	1.8%
Bexley	£411,523	0.2%	1.7%
Sutton	£449,518	-0.1%	1.6%
Enfield	£481,575	0.5%	1.3%
Ealing	£584,128	-0.2%	1.3%
Harrow	£540,594	-1.8%	1.3%
Redbridge	£485,124	-0.3%	0.2%
Islington	£684,196	-2.5%	-1.6%
Richmond upon Thames	£797,683	-2.3%	-1.8%
London	£556,454	-1.1%	-1.8%
Camden	£826,634	-5.5%	-2.3%
Greenwich	£475,020	1.2%	-2.3%
Croydon	£395,622	-1.3%	-2.3%
Barnet	£609,628	-1.2%	-2.7%
Newham	£419,485	3.3%	-2.8%
Wandsworth	£707,961	0.9%	-2.8%
Lambeth	£558,046	0.5%	-3.9%
Brent	£550,724	-0.1%	-4.3%
Hammersmith and Fulham	£754,989	-1.7%	-6.9%
Tower Hamlets	£484,062	-0.6%	-8.0%
Kensington And Chelsea	£1,249,415	-5.3%	-11.3%
City of Westminster	£900,091	-0.8%	-14.4%
Outer London	£512,699	-0.3%	1.3%
Inner London	£646,890	-0.5%	-3.1%

Official Price Index of Private Rents, ONS, October 2025

Source: Office for National Statistics

CJ Regional Location	Average Rent (£ pcm)	Monthly Change	Annual Change
Oxford	£1,915	0.22%	9.1%
Bath and North East Somerset	£1,770	0.53%	9.0%
Wiltshire	£1,042	1.01%	7.7%
South Cambridgeshire	£1,373	0.48%	4.9%
North Yorkshire	£835	0.35%	4.7%
Vale of White Horse	£1,311	0.40%	3.9%
Winchester	£1,453	0.53%	3.8%
West Berkshire	£1,277	0.01%	3.7%
Cambridge	£1,774	0.14%	3.2%
York	£1,134	0.27%	2.5%
South Oxfordshire	£1,348	-0.04%	1.5%
West Oxfordshire	£1,258	-0.86%	-0.2%

UK Country / Region	Average Rent (£ pcm)	Monthly Change (%)	Annual Change (%)
North East	£756	0.80%	8.9%
Wales	£817	0.32%	6.7%
North West	£927	0.42%	6.5%
South West	£1,214	1.14%	5.9%
East of England	£1,255	0.30%	5.9%
East Midlands	£897	0.35%	5.7%
West Midlands	£948	0.68%	5.2%
England	£1,416	0.40%	5.0%
South East	£1,393	0.27%	4.4%
London	£2,265	0.20%	4.3%
Yorkshire and The Humber	£833	0.49%	3.8%
Scotland	£1,008	0.36%	3.4%

London	Average Rent (£ pcm)	Monthly Change (%)	Annual Change (%)
London	£2,265	0.20%	4.3%
Prime Central London	£3,428	0.1%	4.0%
South West London	£2,502	0.2%	6.1%

Official Price Index of Private Rents, ONS, October 2025

Source: Office for National Statistics

Notes: Average rent is across all bedrooms and property types, per calendar month (pcm)

London Borough	Average Rent (£ pcm)	Monthly Change (%)	Annual Change (%)
Barking and Dagenham	£1,666	0.42%	11.8%
Lambeth	£2,476	0.89%	10.3%
Bexley	£1,514	0.03%	9.9%
Havering	£1,561	0.50%	9.0%
Newham	£1,882	0.35%	8.9%
Camden	£2,795	-0.02%	8.8%
Kingston upon Thames	£1,831	0.10%	8.0%
Richmond upon Thames	£2,224	-0.26%	7.4%
Redbridge	£1,703	0.31%	7.1%
Barnet	£1,910	0.62%	6.9%
Haringey	£2,203	0.32%	6.9%
Enfield	£1,741	0.10%	6.6%
Hackney	£2,567	0.02%	6.5%
Wandsworth	£2,552	0.68%	6.5%
Merton	£2,072	0.26%	5.5%
Lewisham	£1,800	0.27%	5.4%
Ealing	£2,050	0.07%	5.3%
Croydon	£1,537	0.20%	4.9%
Harrow	£1,737	0.28%	4.9%
Kensington And Chelsea	£3,633	0.13%	4.7%
Hillingdon	£1,534	0.35%	4.5%
Bromley	£1,644	0.22%	4.5%
Waltham Forest	£1,732	0.07%	4.4%
Hammersmith and Fulham	£2,731	0.18%	4.3%
London	£2,265	0.20%	4.3%
Islington	£2,708	0.10%	3.9%
Hounslow	£1,894	0.06%	3.9%
Tower Hamlets	£2,374	0.07%	3.5%
Sutton	£1,529	0.30%	3.4%
Westminster	£3,223	0.05%	3.4%
Greenwich	£1,888	0.25%	3.3%
Southwark	£2,345	-0.03%	1.8%
Brent	£1,926	0.17%	-8.8%



About Carter Jonas

Carter Jonas LLP is a leading UK property consultancy working across commercial property, residential sales and lettings, rural, planning, development and national infrastructure. Supported by a national network of 34 offices and over 1,000 property professionals, our divisional teams are renowned for their quality of service, expertise and the **simply better property advice** they offer their clients.

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